

**REPORT OF CABINET**  
**(Meeting held on 5 February 2014)**

**1. CAR PARKING CHARGES 2014 (REPORT A) (MINUTE NO. 60)**

As part of the annual budget preparation process, the Planning and Transportation Portfolio Holder has considered whether there should be any change to the charges in the Council's car parks for 2014. The Cabinet have agreed with the Portfolio Holder's conclusion that, in order to assist local businesses and residents during the current difficult economic climate, it would be inappropriate to change any of the charges for car parking at this time. Consequently, the draft amendment Order which was advertised in 2013 should not be confirmed.

**RECOMMENDED:**

***That the draft District of New Forest (Off-Street Parking Places) (Amendment) Order 2013 be not confirmed and that parking charges remain at present levels.***

**2. HOUSING REVENUE ACCOUNT BUDGET AND HOUSING CAPITAL EXPENDITURE PROGRAMME (REPORT B) (MINUTE NO. 61)**

The Housing Revenue account budget for 2014/15 will be the third under the HRA self-financing system and continues to take advantage of the flexibility this new system allows to increase the Council's housing stock, particularly prior to the first repayment instalment of £4.1 million which is due in 2017/18.

The factors affecting the Housing Revenue Account, and in particular the source of any anticipated key variations, are set out in more detail in the report considered by the Cabinet. Council house rents will be increased by an average of 5.73% this year, which is above inflation, but necessary to meet the government's rent restructuring guidelines. The latest guidelines required local authorities to achieve parity with the target rent this coming year, not within the 2 years which was originally proposed. This further increased the change this year. The Government have however indicated that they consider that, for the next 10 years, rent increases should be capped at Consumer Prices Index plus 1%. The Housing Policy Focus Group have noted this increase and concluded that, while an average rent increase of 5.73% might be thought to be high, it still represents good value and allows the Council to continue to invest in their housing stock; to provide additional homes and to achieve the Decent Homes Standard. The Council's rent increase is comparable with other local authorities both within Hampshire and nationally. Council house rents in this District remain lower than those of Registered Social Landlords in the area, and significantly below market rentals.

Increases in service charges have again been calculated on the basis of achieving full cost recovery from those benefitting from the service.

It is proposed to increase the reactive maintenance budget by £91,000, to £2.45 million in order to continue to maintain the quality of the housing stock and to increase the Disabled Facilities budget by £50,000, to help keep vulnerable people in their homes. One welcome change to the budget is the deletion of a £592,000 reserve that had been earmarked under the HRA self-financing rules to cover depreciation of non-dwelling assets, which the close down process on the 2012/13 budget has shown will no longer be needed.

During 2013/14 there have been a number of unexpected variances to the budget which it is anticipated will increase the HRA reserve to £6.652 million. In order to allow resources to be held and used for new build projects and property acquisitions when best value opportunities arise, it is proposed that all but £1 million of this will be transferred to a new reserve fund specifically for that purpose. That will leave a £1 million working balance in the HRA reserve. Members have strongly supported and applauded this Council's commitment to providing additional Council houses, to meet the needs of local people into the future.

The proposed capital programme for 2014/15 shows an increase of £35,000 over the original budget for 2013/14, including an increase of £95,000 in the budget for major repairs. There has been some slippage in the environmental enhancement programme on the North Milton estate and also on the new build scheme at Totton, which have affected the programmed budget.

One factor which will have to be kept under review in the coming year is the effect of the Government increasing the discounts available to Council tenants to allow them to buy their own homes. There has been a marked increase in interest from tenants, with 20 properties sold in the first 9 months of 2013/14.

The Housing and Communities Portfolio Holder and the Leader of the Council thanked Tenants' representatives who had worked closely and constructively with the Council's officers to develop the HRA budget.

**RECOMMENDED:**

- (a) That the Housing Revenue Account budget, as set out in Appendix 1 to Report B to the Cabinet, be agreed;**
- (b) That, from 7 April 2014, an average increase in rents of 5.73% from the average 2013/14 rent level be agreed, in accordance with rent restructuring guidelines;**
- (c) That, from 7 April 2014, an increase of 2% in hostel service charges be agreed;**
- (d) That, from 7 April 2014, an increase of 2% in sheltered housing service charges be agreed;**
- (e) That, from 7 April 2014, an increase of 50 pence per week in garage rents (plus VAT for garages let to non-Council tenants) be agreed; and**
- (f) That a Housing Capital Programme of £13.078m, as set out in paragraph 6.1 of Report B to the Cabinet, be agreed for 2014/15.**

**3. THE MEDIUM TERM FINANCIAL PLAN 2013-17 BUDGET AND COUNCIL TAX 2014-15 (REPORT C) (MINUTE NO. 62)**

In addition to the Government Grant expected for 2014/15, the provisional Local Government finance settlement, which was announced in December, gave indicative figures for 2015/16, allowing a greater degree of certainty for planning budgets over the next 2 years. The settlement for 2014/15 is slightly better than projected, in particular with additional money being received under the New Homes Bonus, as a result of the reclassification of long term empty properties. This Council will now benefit from the considerable efforts it has put into this area of work through the bonus that is now payable when long term empty properties are brought back into

use. The total additional funding for next year is estimated to be £559,000. Government grant funding will however continue to reduce, with the total reduction over the next 2 years anticipated to be £1,161,000, which is 11.9% of the grant received in 2012/13. The Chancellor's autumn statement included a number of other changes that may have an effect on the Council's income through business rates, for example by capping the inflationary increase at 2.0%, and allowing a 2 year discount of £1,000 to support a range of small businesses, including retail premises, pubs and cafes. Full details are still awaited, but the Government has undertaken to refund the consequent shortfall in income to local authorities.

The Medium Term Financial Plan now includes further positive net variations in the current budget, amounting to £883,000, and a breakdown of those variations is set out in section 3 of the report considered by the Cabinet. A significant proportion of this sum is due to the rephrasing of costs.

The measures taken within 2013/14 to secure further cost savings and efficiencies have allowed the development of a budget for 2014/15 that retains the current level of Council Tax, which will consequently remain unchanged for the fifth year in succession. Front line services will continue to be provided at the same, or improved, standards.

Budget development has been subject to a rigorous process again this year, with the Budget Task and Finish Group that was appointed by the Corporate Overview and Scrutiny Panel working with the Portfolio Holders to explore their budget proposals. The Leader of the Council thanked all those Members who had been involved in this process. The budget for 2014/15 and 2015/16 can be found at Appendix 3 to the report.

The work on the budget this year has included a review of the programme for the management of the Council's assets and equipment, and has achieved the objective of constraining this element of expenditure to £3 million per annum. Service and business development funding will be met from a reserve that was established for that purpose. Each proposal is evaluated against a business case. Those projects which have satisfactorily completed that evaluation process, amounting to £421,000, are set out in Appendix 4 to the report and are recommended to the Council for approval. Further schemes will continue to be evaluated by either the Asset Management Group or the ICT "Dragons Den" before being put forwards for approval.

With the further work already in hand to reduce costs and identify efficiencies it is anticipated that the funding shortfall for 2015/16 will be closed. Work is continuing to identify further savings to meet the anticipated funding gap of £1.375 million for 2016/17.

The Capital programme has also been developed within the context of limited funding and the need to achieve savings and efficiencies. The proposed programme for 2014/15 totals £8.08 million, and is set out in Appendix 8 to the report.

At the start of each financial year the Council must approve a range of Prudential Indicators in respect of the proposed capital programme (the treasury management side and investment strategy have been dealt with by the Audit Committee). These are set out in Appendix 9 to the Report.

**RECOMMENDED:**

- (a) *That the Net Budget Requirement in 2014 -15 be £18,630,410, as set out in Appendix 6 to Report C to the Cabinet;*
- (b) *That the Band D Council Tax for 2014 -15 shall be £155.76;*
- (c) *That the site licence fees and service charges at Stillwater Park be increased by 3.2%, in line with RPI inflation;*
- (d) *That General Fund Capital Programme funding of up to £8.080 million, including potential new items, as set out in Appendix 8 to Report C to the Cabinet, be approved;*
- (e) *That each of the Prudential Indicators, the Limits for 2014/15 to 2016/17 and the Minimum Revenue Provision Policy Statement, as set out in Appendix 9 to Report C to the Cabinet, be approved and adopted.*

**4. PAYMENT CARD INDUSTRY DATA SECURITY STANDARD POLICY (REPORT D) (MINUTE NO. 63)**

A policy for the processing of payments by cards needs to be adopted to comply with the external Payment Card Industry Data Security Standard. The new Policy largely reflects existing practices, but provides a better degree of certainty through being more defined. The Policy has also been properly integrated with other important strategies, such the ICT incident plan.

**RECOMMENDED:**

*That the Payment Card Industry Data Security Standard Policy, as attached as Appendix 1 to Report D to the Cabinet, be approved, and that the policy be published on the Intranet and communicated to all relevant officers.*

**5. ALLOCATION OF DEVELOPERS' CONTRIBUTIONS (REPORT E) (MINUTE NO. 64)**

Work is continuing to develop a programme to use all the monies that have been collected under S106 agreements in respect of planning consents in order to secure improvements to public open space and the transportation infrastructure. A new system was introduced last year which involves local ward councillors and the town or parish council in identifying projects to meet local needs and aspirations. That process has been continued, with a series of sector based meetings held last autumn to develop the programme for the coming year.

As a consequence of this work the Cabinet has approved a list of fully developed projects for inclusion in the programme for 2014/15 (Category A Projects) together with a list of projects that either need further development, or where there is currently insufficient funding available to proceed (Category B projects). The list of projects is set out in Appendix 1 to the report considered by the Cabinet, together with a summary of progress on the projects approved last year, which is set out in Appendix 2. The total value of the projects that have been approved for 2014/15 is £1,220,426.09.

In order that projects can be brought forwards in a timely manner, if circumstances change and allow, the Planning and Transportation Portfolio Holder, in consultation with the Health and Leisure Portfolio Holder, as necessary, has been authorised to approve amendments and variations to the programme, with the Cabinet being kept up to date with regular financial monitoring reports.

A number of members remarked that the projects now being brought forwards were of direct benefit to local communities and were being both noticed and appreciated.

**Councillor B Rickman  
CHAIRMAN**